



Los Angeles County AUDIT COMMITTEE

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June 3, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

COMMISSION REVIEW PROCESS -- SUNSET REVIEW FOR THE LOS ANGELES COUNTY RISK MANAGEMENT ADVISORY COMMITTEE (ALL DISTRICTS AFFECTED) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

Extend the sunset review date for the Los Angeles County Risk Management Advisory Committee (RMAC) to March 31, 2007.

PURPOSE/ JUSTIFICATION OF RECOMMENDED ACTION:

On December 1, 1994, the Audit Committee submitted its initial report in response to your Board's instruction to review the effectiveness of County commissions, committees and task forces defined under Chapters I and IV of the Los Angeles County Committee Book. Consistent with your Board's instructions, the Audit Committee is submitting the results of the evaluation of the Los Angeles County Risk Management Advisory Committee performed by the Auditor-Controller, and recommendations from the Audit Committee for further action by your Board.

RMAC members are risk managers, safety officers, insurance brokers and attorneys who have extensive public and private sector experience and training. They provide advice and comment on the latest insurance products and risk management techniques, which are available to the County for its insurance programs. The comments and recommendations resulting from the technical evaluations made by the members are incorporated

FISCAL IMPACT:

RMAC members do not receive any compensation.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The RMAC was established pursuant to Board Order No. 205 of August 27, 1974

The RMAC has nine members consisting of one member nominated by each Supervisor and four professionally qualified persons nominated by the Chief Administrative Office – one from each of the following categories:

- Practicing risk managers.
- Service or industrial safety directors, or loss prevention specialists who are members of the Greater Los Angeles Safety Council.
- Business professionals from a local college or university who specializes in insurance.
- Insurance brokers or agents with a charter property and casualty underwriter with whom Los Angeles County does not presently, nor will commence to do business with during his/her term of office.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

During the review period, the RMAC reviewed and made recommendations on the Risk Financing Strategic Plan, Quarterly Third Party Administrator Reviews, and RFP's for commercial insurance programs. RFP's reviewed by the RMAC included Crime, Fiduciary and Public Officials Bonds; Special Events and Contractors Liability; Medical Malpractice Third Party Administrator; Excess Liability Health Care Facilities; and Aviation/Airport Hull and Physical Liability.

The RMAC's objectives for the upcoming evaluation period are to continue to provide review and comments on:

1. The Risk Financing Strategic Plan, Risk Management Information System and other insurance programs that will be up for renewal such as the LAC-CAL Insurance Program.
2. Financial and statistical loss information generated by the Risk Management Information System and evaluates program results.
3. Risk management and loss prevention measures to be implemented by the County's Risk Management Inspector General to reduce liability costs.

Respectfully submitted,



Louisa Ollague
Chairperson, Audit Committee

LO:ml:kw

cc: Chief Administrative Officer
County Counsel
Auditor-Controller
Chair, Risk Management Advisory Committee



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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500 WEST TEMPLE STREET, ROOM 525
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February 27, 2004

TO: Audit Committee *tm*
FROM: J. Tyler McCauley
Auditor-Controller

SUBJECT: **SUNSET REVIEW FOR THE LOS ANGELES COUNTY RISK
MANAGEMENT ADVISORY COMMITTEE**

RECOMMENDATION

The Audit Committee recommend to the Board of Supervisors (Board) that the Los Angeles County Risk Management Advisory Committee's sunset review date be extended to March 31, 2007.

BACKGROUND

The Risk Management Advisory Committee (RMAC or Committee) was established pursuant to Board order number 205 of August 27, 1974. The most recent sunset renewal was approved by the Board at its June 6, 2000 meeting.

The RMAC's duties are to provide the Board and the Chief Administrative Officer (CAO) with advice on the latest insurance products and risk management techniques which are available to the County and to assist in developing new and effective methods of expediting all aspects of the County's Risk Management and Insurance programs.

The RMAC has nine members, consisting of one member nominated by each Supervisor and four professionally qualified persons nominated by the CAO - one from each of the following categories:

- a. Practicing risk managers.
- b. Service or industrial safety directors, or loss prevention specialists who are members of the Greater Los Angeles Safety Council.
- c. Business professors from a local college or university who specialize in insurance.

- d. Insurance brokers or agents with a charter property and casualty underwriter with whom Los Angeles County does not presently, nor will commence to do business with during his/her term of office.

JUSTIFICATION

RMAC members are risk managers, safety officers, insurance brokers and attorneys who have extensive public and private sector experience and training. They provide advice and comment on the latest insurance products and risk management techniques, which are available to the County for its insurance programs. The comments and recommendations resulting from the technical evaluations made by the members are incorporated into the various insurance renewal programs and request for proposals (RFPs) utilized by the County. RMAC members do not receive any compensation.

During the review period, the RMAC reviewed and made recommendations on the Risk Financing Strategic Plan, Quarterly Third Party Administrator Reviews, and RFPs for commercial insurance programs. RFPs reviewed by the committee included Crime, Fiduciary and Public Officials Bond; Special Events and Contractors Liability; Medical Malpractice Third Party Administrator; Excess Liability Health Care Facilities; and Aviation/Airport Hull and Physical Liability. In addition, the RMAC reviewed and provided comments on various insurance program renewals. The Board has approved the majority of these programs for utilization in the County.

The RMAC's objectives for the upcoming evaluation period are to continue to provide review and comments on:

1. The Risk Financing Strategic Plan, Risk Management Information System and other insurance programs that will be up for renewal such as the LAC/CAL Insurance Program.
2. Financial and statistical loss information generated by the Risk Management Information System and evaluate program results.
3. Risk management and loss prevention measures to be implemented by the County's Risk Management Inspector General to reduce liability costs.

Please call me if you have any questions.

JTM:DR:RD
Attachments

- c: Violet Varona-Lukens, Executive Officer
Robin A. Guerrero, Chief, Board Operations
Jim Corbett, Manager, Commission Services
Sal Reza, CAO, Risk Management Branch

COMMISSION SUNSET REVIEW
LOS ANGELES COUNTY RISK MANAGEMENT ADVISORY COMMITTEE
REVIEW COMMENTS

Mission. (Does the mission statement agree with the Board of Supervisors' purpose and expectations?)

Stated mission is as set forth in the ordinance creating the Committee. **CONCUR**

Section 1. Relevancy. (Is the mission still relevant and in agreement with the Board of Supervisors' purpose and expectations?)

The RMAC provides comments and advises the Board of Supervisors and the Chief Administrative Officer (CAO) on insurance products and risk management techniques that may benefit the County. **RELEVANT**

Section 2. Meetings and Attendance. (Are required meetings held and is attendance satisfactory?)

The Committee meets once every quarter, with an average attendance of 6 members per meeting for the last three years. **SATISFACTORY**

Sections 3 and 4. Accomplishments and Results. (Are listed accomplishments and results significant?)

The RMAC reviewed and made recommendations on several major programs and RFPs (e.g., Crime, Fiduciary and Public Officials Bond; Special Events and Contractors Liability; Medical Malpractice Third Party Administrator; etc.). **SIGNIFICANT**

Section 5. Objectives. (Are the objectives compatible with the mission and goals and relevant within the current County environment?)

The Committee's objectives are to assist the Board and the CAO in making prudent business decisions regarding insurance renewals, RFPs and risk management. **RELEVANT**

Section 6. Resources. (Are the resources utilized by the entity in support of the entity's activities warranted in terms of the accomplishments and results?)

RMAC members do not receive a stipend for attending meetings. Clerical services provided by the CAO are absorbed within the CAO's budget. **WARRANTED.**

Section 7. Recommendation.

EXTEND THE SUNSET REVIEW DATE FOR THE RISK MANAGEMENT ADVISORY COMMITTEE TO MARCH 31, 2007.

| Commissioner | | Nominated By | 3/31/2001 | 6/30/2001 | 9/30/2001 | 12/31/2001 | 3/31/2002 | 6/30/2002 | 9/30/2002 | 12/31/2002 | 3/31/2003 | 6/30/2003 | 9/30/2003 | 12/31/2003 | Totals |
|---------------------------------------|--------------|--------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|------------|-----------|
| Number of Meetings per Quarter | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 12 |
| Roger B. Plotkin | CAO | | | | | | | | | | | | | | |
| Fay Feeney | CAO | | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 6 |
| Ronald R. Sarlot | CAO | | 0 | 1 | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 1 | 1 | 8 |
| Karen D. Oxman | CAO | | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 1 | 1 | 9 |
| Gary A. Bacio, Esq. | 1st District | | 1 | 1 | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 1 | 1 | 1 | 9 |
| Jesse B. Johnson, Jr. | 2nd District | | | | | | | | | | | | | | 0 |
| Jonathan Y. Thomas | 3rd District | | 0 | 0 | 0 | | | | | | | | 0 | 1 | 1 |
| Diann Perez Corral | 3rd District | | | | | | | | | | | | | | 0 |
| Brigitta B. Troy | 4th District | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 5 |
| Edward L. Bolden, Jr. | 5th District | | 1 | 1 | 1 | | | | | | 1 | 1 | 0 | 1 | 11 |
| David Boran | 5th District | | | | | | | | | | | | | | 3 |
| Totals | | | 6 | 7 | 7 | 5 | 7 | 5 | 6 | 5 | 2 | 6 | 1 | 6 | 67 |
| Average Attendance per Meeting -----> | | | | | | | | | | | | | | | 6 |

Average Attendance per Meeting - - - - - >

| Commissioner | Nominated By | % Attend |
|--------------------------------|--------------|----------|
| Number of Meetings per Quarter | | |
| Roger B. Plotkin | CAO | 50% |
| Fay Feeney | CAO | 67% |
| Ronald R. Sarlot | CAO | 75% |
| Karen D. Oxman | CAO | 75% |
| Gary A. Bacio, Esq. | 1st District | 75% |
| Jesse B. Johnson, Jr. | 2nd District | 50% |
| Jonathan Y. Thomas | 3rd District | 0% |
| Diann Perez Corral | 3rd District | 63% |
| Brigitta B. Troy | 4th District | 92% |
| Edward L. Bolden, Jr. | 5th District | 100% |
| David Boran | 5th District | 75% |
| Totals | | |